

Communication Solutions & Technology Inc
BALANCE SHEET-INCOME TAX BASIS
As of August 31, 2003

ASSETS

CURRENT ASSETS

Cash in bank - Citizens Union State	\$ 209,804
Citizens Union State - Payroll	1,000
Citizens Union State - Money Market	16,923
Accounts receivable	1,347,273
Note receivable-officer	149,776
Note rec- Areocom, LLC	<u>19,192</u>

Total Current Assets 1,743,968

PROPERTY AND EQUIPMENT

Leasehold improvements	121,593
Equipment	1,218,881
Furniture	45,522
Computer software	21,000
Client lists	20,000
Loan Costs	4,237
Automotive equipment	125,479
Less: Accumulated Depreciation	<u>(981,009)</u>

Net Property and Equipment 575,703

OTHER ASSETS

Other assets	3,219
Deposits	31,105
Prepaid income taxes	85,758
Prepaid income tax-state	29,820
Prepaid rent	51,505
Accumulated amortization cost	<u>(21,602)</u>

Total Other Assets 179,805

TOTAL ASSETS \$ 2,499,476

OFFICIAL FILE

I.C.C. DOCKET NO. 03 0549

1788 Exhibit No. _____

Witness _____

Date 11/7/03

Reporter _____

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Communication Solutions & Technology Inc
BALANCE SHEET-INCOME TAX BASIS
As of August 31, 2003

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

LOC-Citizens Union State Bank	\$ 315,377
Accrued FICA/FWH	42,502
Accrued state withholding	11,434
Accrued unemployment taxes	28,172
Accrued Income tax	363,549
Current port long-term debt	<u>271,898</u>

Total Current Liabilities	<u>1,032,932</u>
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LONG-TERM LIABILITIES

Note payable-Mid Mo CU	18,409
Note payable - Mercedes	28,908
Note pay-Citizens Union State	539,342
Note payable - JM&PH	11,561
Current port long-term debt	<u>(271,898)</u>

Total Long-Term Liabilities	<u>326,322</u>
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Total Liabilities	<u>1,359,254</u>
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STOCKHOLDERS' EQUITY

Capital Stock	1,000
Treasury Stock	(119,603)
Retained Earnings	<u>1,258,825</u>

Total Stockholders' Equity	<u>1,140,222</u>
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 2,499,476</u></u>
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Communication Solutions & Technology Inc
INCOME STATEMENT-INCOME TAX BASIS

	8 Months Ended August 31, 2003	
Sales		%
	\$ 5,617,846	100.0
Total Sales	<u>5,617,846</u>	<u>100.0</u>
Cost of Goods Sold		
Wages	2,079,815	37.0
Broker commission	<u>187,156</u>	<u>3.3</u>
Total Cost of Goods Sold	<u>2,266,971</u>	<u>40.4</u>
Gross Profit	<u>3,350,875</u>	<u>59.6</u>
Operating Expenses		
See Schedule	<u>2,548,563</u>	<u>45.4</u>
Total Operating Expenses	<u>2,548,563</u>	<u>45.4</u>
Operating Income (Loss)	<u>802,312</u>	<u>14.3</u>
Other Income		
Interest income	85	-
Miscellaneous income	<u>101</u>	<u>-</u>
Total Other Income (Loss)	<u>186</u>	<u>-</u>
Net Income Before Income Taxes	<u>802,684</u>	<u>14.3</u>
Income tax expense	<u>(321,000)</u>	<u>5.7</u>
Net Income (Loss)	<u>\$ 481,498</u>	<u>8.6</u>

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Communication Solutions & Technology Inc
INCOME STATEMENT-INCOME TAX BASIS

**8 Months Ended
August 31, 2003**

Operating Expenses		%
Advertising	\$ 5,907	0.11
Amortization	4,865	0.09
Auto & delivery	957	0.02
Aviation expense	111,396	1.98
Bank service charges	330	0.01
Cleaning	8,640	0.15
Continuing education	1,637	0.03
Contributions	5,050	0.09
Depreciation	159,482	2.84
Dues & subscriptions	1,259	0.02
Garnishments	850	0.02
Fuel	49	-
Gifts	935	0.02
Freight & delivery	2,538	0.05
Incentives	620	0.01
Insurance-general	8,797	0.16
Insurance - health	32,440	0.58
Insurance - work comp	12,458	0.22
Interest expense	17,094	0.30
Internet	485	0.01
Licenses & fees	5,755	0.10
Miscellaneous expense	4,918	0.09
No call expense	750	0.01
Office supplies	24,933	0.44
Office expense	670	0.01
Postage	495	0.01
Printing and Reproduction	1,583	0.03
Professional fees	82,284	1.46
Rent	229,802	4.09
Rent - equipment	6,460	0.11
Repairs & maintenance	21,460	0.38
Salaries-officer	164,650	2.93
Salaries-managers	578,689	10.30
Security	732	0.01
Software	145,560	2.59
Taxes-payroll	258,577	4.60
Telephone	380,524	6.77
Pager	367	0.01
Trash removal	1,314	0.02
Travel-meals & entertainment	19,990	0.36
T,M,E - boat expense	5,572	0.10
Travel-other	216,574	3.86
Utilities	21,105	0.38
Penalties	10	-
Total Operating Expenses	\$ 2,548,563	45.37

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Communication Solutions & Technology Inc
STATEMENT OF SHAREHOLDERS' EQUITY

**8 Months Ended
August 31, 2003**

Beginning of Period	\$	777,327
Plus: Net Income (Loss)	\$	<u>481,498</u>

RETAINED EARNINGS END OF PERIOD	\$	<u>1,258,825</u>
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